The Rothbard-Rockwell Report

TRIPLE R

— A MESSAGE FROM THE PUBLISHER —

Welcome,
Ron Paul Supporters

Thanks to the generosity of Ron Paul, we welcome his *Ron Paul Survival Report* subscribers to the *Triple R*. We promise: you will feel right at home. Certainly we think of you as family.

"Congressional ethics"—stop laughing—means that Ron can no longer publish his newsletter. Given that, we are honored and proud to help carry on his work. And to do so, we're enlarging the *Triple R* from 12 to 16 pages.

Along with the most fearless political and cultural commentary available anywhere, you will also receive valuable financial intelligence in the Ron Paul tradition, and information on all the great things Ron is doing.

As you can guess, the *Triple R* wasn't a tough choice for Ron. Our other hero, the late Murray Rothbard, was Ron's teacher in Austrian economics and the politics of freedom. Lew Rockwell has worked with Ron for 18 years, serving as his Congressional chief of staff, his partner in the *Survival Report*, and his senior advisor in election campaigns. Ron and I have been friends for more than 15 years, and I've served as his campaign chairman and partner in Ron Paul Coins. So, welcome home!

—Burt Blumert

P.S.: *Triple R* subscribers: everything you like about this unique publication continues, but now we add financial intelligence in light of the leviathan state. And at no extra charge!

ONWARD CHRISTIAN VOTERS

Llewellyn H. Rockwell, Jr.

The Christian Right has been betrayed again. Thanks to presumed leaders like Ralph Reed, the Dole campaign gained—just barely—the support of Christian conservatives. Dole promised jobs and status to Reed & Co., which they desire more than an actual victory for the cause. Dole also said he would stand up for Christian social and cultural priorities during the election and when he became president. When the grass roots expressed doubt about this racket, Reed would wink and promise that he had everything under control.

Throughout the campaign, Reed traveled the country telling one and all that Dole was a shoe-in; don't worry, the voters just haven't started paying attention yet. They will. Clinton's veto of the partial-birth abortion bill will cause mass revulsion against him. But then Dole proceeded to blow off their issues, lose the election, and leave these people where they started: marginal in influence but politically vital to the Republican elite.

Now they are mighty peeved, not only at the Republican Party but also at their own leadership. The grass roots are beginning to realize, perhaps for the first time since the genesis of their political involvement in the 1970s, that they've been had, and are saying so on the record. From New England to California, the most ardent proponents of family values are considering alternative routes toward political change.

It's Reed's worst nightmare. The people he claims to represent are more and more alienated from the conventional political process. They are becoming openly anti-government, anti-judiciary, anti-establishment, and politically radical, just like the rest of us. That means they are less amenable to being controlled by the likes of Reed, the Washington establishment, or the big-money foundation crowd.

Who can be surprised that Dole—or "Oprah" Liddy for that matter—didn't carry the torch of traditional values? He barely managed to eke out a criticism of Hollywood early in the campaign. Even so, he was careful to choose an issue that he couldn't do anything about as president. The truth is that Dole, like the Republican establishment generally, has always disdained Christian activists and their concerns. And when they demanded that he repudiate the very judicial establishment he has devoted his

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INTELLIGENCE BRIEFING

✦ **Racial politics**, although you wouldn't know it from the rotten U.S. media, is part and parcel of the accusations of sexual harassment and rape in the military. The "allegations have been covered up" for years, writes the *Sunday Times* of London (11/24/96) because "the sergeants and officers involved were black and the privates were white." These girls are typically teenagers, and now we know why they were afraid to report the crimes. Every unit has a political commissar, i.e., equal-opportunity officer, and the least hint of "racism" is a career-killer.

Note: the racial dimension was indirectly confirmed by the *Washington Post*, which reported a protest by Janice East Grant, president of the Harford County NAACP: "Historically, when black men are involved intimately or sexually with white women, the black people have been wrongly accused."

✦ **When will the stock-market mania end?** Alan Greenspan decided the best time was during the great nothingness: after national elections and before Congress reassembles. What central bankers create they can destroy. In cooperation with the U.S., world central banks have been printing money at record rates, and this money has been used to buy and hold U.S. Treasury bonds, again at record rates. This produces low yields and redirects dollars at home into the stock market.

At the same time, foreign central banks have been buying and holding dollars to try to keep their own currencies from appreciating and harming their exports. All of this contains the seeds of its own destruction, and a number of factors could bring it to an end: stepping on the monetary brakes, foreign currency appreciation, or just a change in investor expectations.

Will Greenspan now raise rates and tighten money, or were his remarks made in preparation for a lowering of rates and a further loosening? The uncertainty alone is destabilizing. And it tells us something about the nature of central banking, and the volatility it has engendered, that a few words from the gingerly Greenspan would have such power. For investment purposes, it is enough to know that the stock market run-up is not induced by real factors, but artificial ones, and that mirages vanish in the blink of an eye.

About the Issue Date

This month's issue is dated January–February, so that we can—in the only recorded instance—join the fashionable trend, and date our publication as others do. The next issue, in other words, will be March, which you will receive in February. Please note that this is only a cosmetic change. No subscriber will miss any issue.—B.S.B.

✦ **Ron Paul**—greatest legislator of our time—is getting more attention in this stint in Congress than during his last three terms. For now, it is relatively respectful. "The Texas obstetrician arguably is the most intellectually venturesome member of the freshman class," writes MSNBC. "While other new members recite familiar rhetoric about a balanced budget amendment, Paul says, 'I'm very unexcited about that. It is a diversion from the real point.'"

Ron sits on the banking committee, from where he will battle the Fed and the Treasury, and on the labor and education committee, where he will fight union power, Goals 2000, the voucher racket, and much more. (Note: Gingrich has denied him the subcommittee chairmanship to which seniority entitles him.) There's not as much competition for these important committee slots as you might think, because unlike Ways & Means, Commerce, or Appropriations, they offer few chances to get PAC money or more direct pay-offs.

✦ **Wall Street wants to raise your taxes** to fix Social Security and, incidentally, make a lot of dough. We've long known the politicians would try to increase FICA taxes, but now investment firms are working to make the "reform" even worse. They want the government to divert Social Security booty to mutual funds, and give the stock market the biggest boost in history. Of course, it's a crime that people's

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savings are being looted and "invested" in government debt (actually spent, of course). But real reform would scrap the system altogether, not divert looted funds to other projects. If the government controls who gets the cash, it can have a huge influence over who wins and loses on Wall Street.

Wall Street is backing a mandatory investment scheme. To top it off, the two plans most backed by stock-market mavens require a *higher* payroll tax. Wall Street is paying millions to a variety of Beltway think tanks–from Cato to the Progressive Policy Institute–to back this in the name of "privatization," further confirming the rule that politics eventually reverses the meaning of all good words. There's a great danger here that no one wants to talk about. If people's forced savings are invested in the stock market, the stock market could become like the banking system: too big to fail. Then there's the problem of a government fund owning much of American industry–full-blown socialism through "privatization."

There is also the problem that Social Security has no money, but only government IOUs. Where is the $400 billion that Wall Street wants to invest immediately coming from? Those IOUs can only be turned into dollars with more taxes, more borrowing, or more inflation, all of them disastrous. And let's not hear any more talk about young people getting $10,000 a month pensions if they invested this money privately. Of course, but this sort of talk assumes that FDR's lies are true: that Social Security is some sort of insurance plan, as versus a vast income-redistribution scheme.

We might as well say that if we could invest our Medicare taxes, we could all have a full-time doctor in our house when we retire, or if we could invest our military taxes, we could have our own atomic missiles. Letting Americans keep and invest their own money, and any incremental steps toward that, are the only worthwhile reforms. Nor can higher taxes ever be justified for any purpose, yet the Beltway "privatizers" advocate them. The morning line on Social Security reform: oppose any and all reform, even the kind sold as, "privatization," until you hear otherwise.

✦ **South Carolina, take that flag down!** Governor David Beasley–eying higher office–wants to take down the Confederate flag that now flies above the state capitol. The state legislature may not agree, however, since friends of liberty are outraged. After all, the flag is famous from Okinawa to Moscow as the symbol of independence from centralized tyranny. Southern patriots have an additional reason to be furious: this is only the latest demand that they spit on the graves of their ancestors. But we are rethinking the de-flagging question. A chilling page-one *New York Times* photo of the South Carolina capitol shows the flag of the Yankee invader flying *above* the Confederate flag.

✦ **If credit expansion is fueling the stock-market boom,** why hasn't inflation affected other prices besides those of stocks to the same extent? That's the way we tend to ask the question, but James Grant of *Grant's Interest Rate Observer* ($585 a year) says it's also interesting to look at it the other way around. "By rights, perhaps, the price level of the industrialized world should be falling. Computer technology, the end of the Cold War, the advent of the European monetary union and the burden of undischarged debt might have been expected to have pulled the rug out from under the price level already. Yet they have not. Prices have continued to move sideways or–remarkably, when you think about it–higher."

This suggests to him that "monetary policy has been easier than people have realized." He points to the astounding rate of foreign central bank accumulation of Treasury debt, running at 15 percent per year, and the perpetually positive slope as the yield curve. "We are certain," he says, that "the more one knows about the unfolding speculative process, the less likely one will be to participate in it." In the three possible outcomes Grant spells out for the present boom, two involve a crashing stock market, and the third involves the status quo "indefinitely." He notes three alarming trends. First, the level of overconfidence in the markets is

Dean of the Austrian School of Economics, founder of modern libertarianism, and restorer of the Old Right, Murray N. Rothbard (1926–1995) was a one-man army of liberty. The *Triple R* is inspired by his spirit, and dedicated to his vision.

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so high that even conservative state governments are now investing pension funds in the stock market. Second, the *Wall Street Journal* is suggesting the business cycle has been abolished (sure, like the sunset). Third, *American Banker* is claiming "the nation's economy has virtually never looked healthier than it does right now."

These are all signs of economic mania. To Grant's mind, when all fear is gone, we should be most afraid. One more oddity underscores the point. Share buybacks are growing in popularity. This is when publicly traded companies find that the most profitable resting place for their extra cash is their own stock, which sends the stock higher, which makes them more profitable, which makes them a better resting place, and so on: an equities-based perpetual motion machine. Grant's suggestion for where your money should be? "The journey from stringency to accommodation is, we think, nearly over." Buy government bonds, "if you're going to buy any. Better still, buy governments and short the corporate bond index of your choice."

By the way, Grant's extraordinary new book–heavily influenced by Rothbardian business-cycle analysis–is a must read for any investor. Phone us at 1-800-325-7257, or send your check, for your copy of *The Trouble with Prosperity: The Loss of Fear, the Rise of Speculation, and the Risk to American Savings* (Times Books, 1996). It's $30 plus $3 shipping and handling.

✦ **When the Emperor Bush invaded Panama**, killing more than 4,000 civilians in the process, it was to capture Manuel Noriega for alleged drug crimes. Then he was tried and found guilty in a U.S. kangaroo court, with, CNN discovered, federal prosecutors spying on confidential talks between the former Panamanian president and his lawyers. As the *New York Times* (12/5/97) points out, the feds used Noriega's millions as evidence of drug payoffs, and bribed a key witness to lie. But Noriega's lawyers were forbidden by the federal judge from pointing out that he had received more than $10 million from the CIA, that the witness was bribed, and that former CIA head Bush was running drugs through the Mena, Arkansas, airport while Clinton was governor.

✦ **Newt Gingrich is crazy.** Besides his statist insistence that we focus on the underclass domestically, in foreign affairs he announced to Republican House members (*Wall Street Journal*, 11/21/96) that America's "burden and our destiny is to help the entire human race achieve freedom, safety, and prosperity." Regular dental check-ups and wall-to-wall carpeting weren't mentioned.

✦ **Every presidential election has a secret financial history,** especially when there's a central bank involved. The historian of this year's Fed machinations is John B. Judis, who, although a left-wing social democrat, has unearthed some fascinating information (*The New Republic*, Dec 9, 1996). Judis shows how Treasury Secretary Robert Rubin brought about (or *bought*) Clinton's reelection with the cooperation of the Japanese.

The tale begins with the Japanese minister of finance, Eisuke Sakakibara (from hereon, Saka). Saka took his present position with one goal in mind: take advantage of the election to realign the strong Yen and the weak dollar, and make Japanese exports somewhat cheaper. Saka told Rubin that Japan was on the verge of a major banking crisis, one that would spill over into the U.S. Japanese banks might have to start calling in foreign debts. With more than one quarter of U.S. debt owned by foreign governments, that would send U.S. interest rates soaring, and cause Clinton to get tossed out. The only way to forestall this, Saka said, was for Rubin and Greenspan to help him strengthen the dollar against the yen.

Rubin agreed, and was on the phone in minutes persuading all his friends in the investment banking business to buy the dollar. Meanwhile the Bank of Japan began buying dollars and purchasing even more U.S. bonds as a *quid pro quo* to Rubin. The Fed issued $71 billion in new debt between January and May of 1996, $56 billion of which was bought by foreign central banks, among which Japan was the largest single purchaser.

Sure enough, the dollar began to climb from a low of 76 Yen in April 1995 to 115 by October 1996, a huge 40 percent appreciation. And with Japanese purchases of T-bills, U.S. interest rates remained low despite all other upward pressure. That kept the economy humming along at a brisk pace straight through the election. When does the bill come due? Judis says immediately, by which he means Japan will begin unloading their U.S. debt, the stock market will crash, interest rates will soar. Heaven knows what Bill Clinton, Rubin, Greenspan, and the rest of the gang would do then.

✦ **Pizza companies were roasted as racist** for refusing to deliver to violent inner-city areas. So management came under the purview of the Justice

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Department. But, wait: OSHA regulations prohibit companies from knowingly putting employees in danger. But the free market to the rescue. A company in Birmingham, Alabama, recruits ex-gang members as part of a sizable delivery crew that knows these bad neighborhoods well, and feels safe in them. For an extra $2.50, they will happily go there. The name of the corporation? Home Boys Catering and Delivery.

✦ **A new Foster theory!** There no shortage of Vince Foster theories, and they're all worth considering unless you're one of those who believe the government. Alfred Adask, writing in *The Anti-Shyster* (Winter, 1996), begins by noting the well-known floor brawl between Clinton and Dick Morris, as reported by Morris's paramour, which was broken up by Hillary just in the nick of time.

Adask continues: We "might speculate that our temperamental, impulsive, physically powerful President" also "got into a physical fight with Vince Foster" when Hillary wasn't there to make him pull his punches. Then, "by accident or intent, Vince Foster died at the hands of the President on the floor of the Oval Office." This could also "explain reports" of a "soft, bloody area at the base of Foster's skull (which might be consistent with the physical trauma of a head hitting the floor or being hit by a blunt object)." This "might even explain why Foster's death and the subsequent cover-up were so obviously mismanaged: the murder was committed on *impulse*, perhaps even by accident."

Our question: if Hillary were really having an affair with Foster, as so many allege, would Clinton have been justified (by pre-modern standards of justice, anyway) in killing him?

✦ **Why does the left have to politicize everything?** "Tiger Woods is the future of our race," writes Eric Liu for MS-NBC (12/5/96). The 1/4-black, 1/4-Chinese, 1/4-Thai, 1/8-American Indian, 1/8-white golf pro has changed that sport, hitherto "so synonymous with lily-white country clubs." "With every powerful swing, Tiger helps knock the gray game of golf into the Technicolor 21st century." For his is "the face of our intermingled future." But all is not well. Civil-rights leaders worry that Woods's refusal to identify himself as black represents a "light flight."

✦ **A "secret cadre of gay and bisexual cross-dressing Episcopal priests"** regularly holds Satanic rituals at the altars of churches all over the country, according to the *Washington Times* (11/17/96). Calling themselves "the girls," and using women's names for each other, the clerics perform "sexual baptisms," "same-sex marriages," and homosexual orgies. Young men from Brazil were imported for the celebrations, and one of the participants at a church on Long Island was head of the national Episcopal ministry for children. When told about the orgy in church, the Episcopal bishop of Long Island said: "If they were consenting adults, my position is that they were certainly free to take that action."

✦ **The feds knew about the planned Oklahoma bombing and let it go forward,** some people think. The first objection raised to the thesis is: what's the motive? Well, one may have emerged. Clinton told reporters in a relaxed moment on Air Force One that the bombing "proved the turning point in his political campaign," writes Ambrose Evans-Pritchard in the London *Sunday Telegraph* (11/13/96). Clinton didn't have to link Republicans to it. He merely condemned dangerous anti-government rhetoric, and the media did the rest.

✦ **Ebonics (or black English)** is a separate language and deserves federal bilingual funding, says the Oakland, California, school board (*Washington* Times, 11/28/96). Aisha Blackshire-Belay, chairman of the department of African studies at Indiana State, agrees, calling Ebonics "the oral tradition of African people, whether on the continent or in the diaspora. In the African language," she adds, "time is relevant, but not to the same degree." "If you say in American English, 'I walk, I walked, I have walked,' in Ebonics it would be 'I walk, I done walk, I been done walk.'" In English, it's "the coffee is cold." In Ebonics, it's "'the coffee been cold,' which means the coffee is cold now, and is always cold." Blackshire-Belay adds that she "could not begin to teach" Ebonics to white people, since it is only "learned naturally from the environment."

✦ **"Anti-Christ Superstar,"** the new album by Marilyn Manson, a Satanic rock group, debuted at a dismaying number three on the Billboard 200 chart. Named after Marilyn Monroe and mass-murderer Charles Manson, the group is affiliated with the San Francisco-based Church of Satan, and features live sex shows during its concerts. The American Family Association points out that such groups typically produce one "radio-friendly" song per album, which is then hyped on FM. The Satanic worship is on the purchased albums. (*Washington Times*, 10/30/96)

✦ **"It would be premature** to make much of the revelation" that the universally beloved (and therefore

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no good, as Murray used to point out) Thurgood Marshall was a spy for the FBI, warns the *San Francisco Chronicle* (12/4/96).

✦ **It would *not* be premature** to condemn "racist" novelist Jack London, who will not, thank goodness, have a street named after him in the Yukon town of Whitehorse (*San Francisco Chronicle*, 11/20/96). The author of *Call of the Wild* and *White Fang*, among many other works about the Yukon, warned against the "Yellow Peril" during the Russo-Japanese War, and wrote to a friend in 1899 that "I cannot but hail as unavoidable the Black and Brown going down before the White."

✦ **I killed my sister for liberty.** In one corner of the libertarian fun house stands Mary Ruwart, New Age chemist and author of *Healing Our World*. In what is presumably an example of that, she is also a champion of assisted suicide, on grounds that it "touches the heart of the libertarian ideal." She is selling a video tape ($30) called "My Sister's Journey to Dr. Kevorkian," with an "interview with Dr. Kevorkian the night before her death. Recorded in Athens, Ohio, in September 1996." So, it's not enough to laud Mr. Murder-for-Hire. It's not enough to get him to kill your sister and call it the libertarian ideal. It's not enough to tape the grisly show. No, you have to sell the tape in *LP News*.

✦ **When will pro-lifers protest** abortions at military hospitals? At least one courageous man did. Petty Officer 3rd Class William J. Downes could no longer work for an "immoral and corrupt" government that supports "the killing of innocent, pre-born" infants in its military. Downes hoped for a court martial, but the military dumped him with a non-honorable discharge, which at least "resolves the conflict I have between serving this government and serving God." (*Washington Times*, 11/25/96)

✦ **Remember a fortnightly publication called *National Review*?** Perhaps this will jog your memory: it was started sometime in the fifties, pumped for the Cold War for thirty years, was edited by an ex-CIA agent with a phony British accent, and then went extinct sometime in 1995 when *The Weekly Standard* replaced it. Fossils still appear on the newsstand from time to time. Consider the special election issue dated November 11. What's that? The election was held on November 5. Still, John O'Sullivan writes the opening editorial in an issue still languishing on the newsstands 8 days after the election: "Twenty points down in the polls with only three weeks to go, Bob Dole has accepted *National Review*'s advice" on how to win. *The Weekly Standard*'s analysis (some of it actually not bad) appeared the Monday after the election.

✦ **Hate private schools?** Then you'll love tax-funded vouchers for the welfare class, which will subvert them. And why not, says voucherite Bruce Goldberg in his *Why Schools Fail* (Cato Institute, 1996, p. 107): "Privately operated schools, after all, have not up to now been especially sensitive to the individuality of their students. Indeed, in many cases, such as in religious and military schools, they have been more authoritarian and restrictive than the public schools." Nasty parents who "send their children to private schools" want their children to be "molded and shaped. Discipline and obedience tend to be paramount values." Oh no.

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is Joe Bast of the Heartland Institute, also writing for Cato. "Are private schools worth saving?" he asks in a paper attacking conservative critics of vouchers. "The overwhelming majority of private schools exist because parents want religious instruction and discipline, not because private schools do a better job educating children. *These schools are not a last remnant of the free market at work...*" [his emphasis]. Because they teach self-restraint and faith in God!

✦ **Mowing your lawn? You're under arrest.** The EPA intends to step up the so-called Clean Air Act. Proposed mandates include outlawing gas-powered mowers, lawn edgers, and leaf blowers. Car pooling could become mandatory. There could even be quotas on cars, with only two, maybe one, per family. No backyard barbecues either. Also, go-cart tracks for kids and chain saws would be out. Good news: since the environmental movement has passed its peak, it may not be able to ram this monstrosity through. Already, there is massive public protest.

✦ **Bill and Newt are tossing and turning.** Shortly before Ron Paul's great victory, the London *Independent* (10/20/96) said his election would have significance "far beyond" the 14th district of Texas. A Paul victory, worried the leftist newspaper, will make "Bill Clinton's pleasure at winning a second term short-lived." Darn right! And Newt Gingrich's too. RRR

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ONWARD CHRISTIAN VOTERS
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career to promoting and protecting, he became contemptuous.

Besides, as Dole's daughter from his first marriage told national television: in his heart, my father is pro-choice. Leaving his ostensibly pro-life voting record aside, Dole did far more to support abortion by cheering for Ruth Bader Ginsburg, as statist a judge as has ever sat on the Supreme Court. She would never tolerate devolving the issue to the states; she will fight for nationalized, unrestricted abortion rights until her last breath. The same is true of Dole's protégé, Stephen Breyer.

Many Christian conservatives saw all this from the beginning, which is why they backed Pat Buchanan in the primaries. But when even Pat said it was a moral necessity to get behind the Republican ticket, many swallowed their skepticism and reluctantly backed Dole, a man whose political career stands for everything they are supposed to be against. Now they are rethinking their entire political strategy, as are major figures like Gary Bauer of the Family Research Council.

Symptomatic of this shift is the ruckus over Fr. Richard John Neuhaus's symposium on Christian activism in *First Things*. The thread that ran through the November issue is old hat to *Triple R* subscribers, or anyone who is familiar with writers as diverse as R.J. Rushdoony and Murray N. Rothbard. But in terms of mainstream commentary, it is revolutionary. The articles center on the assumption that the present regime is "illegitimate," something no one with a moral conscience and a sophisticated political mind can doubt.

This point was denounced in the neoconservative *Weekly Standard* as succumbing to "the anti-American temptation," even if it's not so much a temptation as a recognition of institutionalized sin. The *First Things* symposium has led to open warfare between the hard-core neocons who sign the checks, and their long-term employees who take them, but sometimes have a latent attachment to principled political thinking. (See Paul Gottfried's article on p. 11.)

The Wrong Lesson

What lessons have activist Christian conservatives, with whom pro-life libertarians are allied on 80 percent of issues involving the federal government, learned from this year's disaster? Never trust the Republican leadership to do anything principled. Never trust the Republican Party, which is corrupt to the core. Never trust politicians who claim to have a Pauline conversion just before political conventions. Don't put too much faith in presidential politics itself, since a successful political movement must first be a successful social movement. All these are fine lessons.

But the process of strategic rethinking is not always a smooth one, and already many Christian conservatives have stumbled into a grave error that threatens to doom their overall program. They have concluded that Dole's problem was not a fundamental lack of principle on issues across the board, but a strategic mistake in emphasis.

Dole decided to focus on economic issues like tax cuts rather than on cultural ones like the breakdown of the family, the rise of illegitimacy, generalized moral decay, the absurdity of homosexual marriage, and, of course, abortion. It was his failure to address these issues, or say the right things about them, that doomed him, says this theory.

They take this analysis even further in applying it to future elections. They have convinced themselves that candidates must make a choice between economic and cultural issues, as if the two have nothing in common. They say privately that they will tolerate no candidate who makes economic prosperity a political priority. Instead, any candidate deserving of Christian Right support must make the social and cultural issues primary. The economic libertarians had their day and they blew it; now it's our turn.

This disastrous position completely misrepresents the central failing of the Republican ticket. If it were true that Dole threw his lot with the tax cutters, why are the economic libertarians as disgusted with him as the Christian Right? Those people for whom tax cuts are a priority feel betrayed as well. They say that he talked more about the glories of signing his grandparents' welfare checks than

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about raising American living standards, and they are right.

All this is a matter of perception, and it's a measure of the degree of Dole's failure that no group that invested any hopes in his candidacy is undisgusted. The people who see tax cuts as a priority were as angry as the Christian conservatives. The problem with Dole was not his tax-cut program, but his lack of credibility in backing it. He'd spent his entire life working for higher taxes. The American people can hardly be blamed for doubting his word when he has a last-minute conversion to the cause of repealing his life's work.

What both critiques of the Dole effort have in common is this: they both seize on the fact that he was a terrible vehicle for their views. But that begs the question. Why, exactly, was he a terrible spokesmen? It this merely a fight over how much time he gave to denouncing Clinton's veto of the partial-birth abortion bill as versus calling for a cut in the capital-gains rate? No, it's much more fundamental.

THE REAL CHARACTER ISSUE

The problem was that Dole is a grotesquely unprincipled man who embodies all the evils of the present regime. The best thing to come out of his candidacy is that he's no longer in the Senate. It wouldn't have mattered what he said or how much time he gave one set of issues as versus another, he still couldn't avoid the public perception that he is a lying political hack whose only true love is the leviathan state. It didn't help that he kept telling us to trust him; when was the last time a liar told you the truth about his character, or an honest man never shut up about his?

It's was all the more ridiculous when conservatives demanded that Dole go on the offensive against Clinton's character. After all, Clinton is a known quantity, a political hustler who never pretended to stand for a fixed set of principles; he's so slippery he sees advantage in not pretending otherwise. Dole too has made a career of back room deals and sinister plots. For him as well, deception, and deception about deception, is all in a day's work.

The envious cripple, angry at the world, is a plot device as old as literature.

When the Christian Right complains that Dole didn't emphasize the character issue, they should really be complaining that he was in no position to do so. Did he really refuse to pay child support for his only daughter? That and many similar character questions were taboo subjects in high Republican circles, but all the rage at the grass roots.

And speaking of taboos, was Dole really as bitter and resentful about his handicap as he appeared to be in the debates? He seemed to bring it up at every opportunity. The envious cripple, angry at the world, is a plot device as old as literature. Dole seemed determined to fulfill every stereotype, and link himself with an organized political victim group. We've already got too many powerful politicians with such connections.

COALITION BUILDING

A truly principled candidate who understands the central problem of our time–the monstrously evil and ever-growing central-planning apparatus in Washington–can be sound on both economic and cultural issues. He would call for income-tax cuts and condemn judges who release criminals and usurp states rights. He would want to abolish the Department of Education and the Commerce Department. He would call for ending federal arts funding and federal regulations that hamper economic growth.

What's more, when a principled man calls for these things, he inspires people to learn from him and to follow him–exactly the opposite of how most people respond to political prostitutes like Dole. A principled leader wouldn't need to tell people that he is a man of his word, for that would be obvious.

As in so many of today's political matters, Ron Paul is the model. Here is a church-going family man and a cultural conservative who is also a radical economic libertarian. He called for 90 percent cuts in the federal budget, denounced Dole for wanting puny tax reductions, spoke on the stump about complex issues related to monetary policy and debt, defended the rights of gun owners, condemned abortion and called for the issue to be returned to the states, battled Goals 2000 and other interventions in education, opposed the federal drug war, called for a purely isolationist foreign policy, and never once compromised.

In all of this he gained the enthusiastic support of Christian conservatives, gun owners, small businessmen, farmers, ranchers, blue-collar workers, and people from all demographic groups. It's no wonder Ralph Reed opposed him early on (although Pat Robertson eventually came around). The reason Ron

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inspires these disparate groups is clear: he is a man of high moral courage who returned to the same deeply held beliefs again and again. He told his listeners that the federal government is their enemy. If we cut it down to size, we'll all be winners. This message is not only politically appealing; it also has the advantage of being true.

If Ron had taken the advice of many in the Christian Right, and dropped all economic issues, he couldn't have won: his polls show that taxes are the key issue among all Americans. The truth is that families are as threatened by the exactions of the tax police and the Federal Reserve as they are by judges and education bureaucrats. Small businessmen are as menaced by regulations as by civil rights for gays. The freedom of religion and the freedom of enterprise are under attack by the same pressure groups. All the good forces in society are united when we demand liberty from federal economic and cultural tyranny.

The Christian Right has long been suspicious of economists, and for good reason. As a group, they have long been hostile to religion. And for a good part of this century, they've acted as little more than court sophists for socialism. The bitter experience of the 1996 election seems to confirm the suspicions activist Christians have. But that is no excuse for not understanding the centrality of economic considerations in our society's cultural and moral crisis.

A voracious central state is what forced mothers with young children into the workforce. The government confiscates and squanders about half the national wealth every year, wealth that could have gone into building strong families, communities, and churches. Rolling this back should be at the top of Christian Right agenda, second only to dismantling the federal judiciary. But to understand why requires economic understanding. To understand the decline in the economic prospects of the American family, and its cultural consequences, requires more than just shooting from the hip.

The Standard Bearer

What we need is a political leadership that is firmly and implacably committed to principle, and understands the unity of economic liberty and Christian cultural concerns. Who will represent that agenda in the next presidential race? It's not too early to think about this, since the contenders themselves are already gearing up. Given the new radicalism of Christian conservatives and the American public generally, and the disastrous experience with Bob Dole, we can rule out anyone who carries with him the whiff of moderation, much less the stench of liberalism or the taint of power.

Rule out anyone who carries with him the whiff of moderation, much less the stench of liberalism or the taint of power.

Thus, let's rule out a failure like Jack Kemp, a wholly-owned moderate like Lamar! Alexander, and a double-talking pork barreler like Phil Gramm–all of whom are vying for money and support right now. I also think we can rule out Dan Quayle, because of his past links to state power, and his persistent refusal to refute the media claim that he lacks intellectual prowess.

There's Pat Buchanan, of course. He'll be a serious factor, as he was in 1992 and 1996. If he were to call for cutting the government, bringing the boys home, and curbing the judges; stop the anti-capitalist rhetoric; and put the trade issue in perspective (some protectionism could be tolerated if it were not the sum total of his campaign), he would garner more support.

But such a clear position requires a well-thought-out program focused on the unalterable principle of limiting government power. Sheer intuitionism ("conservatism of the heart") won't cut it.

Consider this: Pat is writing a book that is said to question foreign-policy imperialism yet promote foreign-trade imperialism, while advocating industrial-style regimentation and the labor-union agenda at home. The book, and the next campaign, may be foreshadowed by what his former campaign manager, now editor of *Human Events*, has done to that once-venerable conservative weekly. The newspaper backs socialistic policies like industrial subsidies, and agonizes over non-issues like copyrights in China. (If Time-Warner CDs are cloned in Canton, that should be Time Warner's problem.)

Dare to Run

Amidst these confusions, last season a political movement emerged backing child psychologist James Dobson, head of Focus on the Family, as the Republican nominee. He is a brilliant man, and easily the most powerful voice for the Christian faith and good sense in social policy in the country. His daily radio show is

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carried on 2,400 stations nationwide, he owns a mailing list of four million, and he's been a powerful force in distancing the Christian Right from the Republican Party this year.

When he does speak on economic issues, he takes the correct view (although, of course, economics is not his comparative advantage). If the once-affiliated Family Research Council still reflects his views, economic libertarians will find little to disagree with in his broad program (though there are always details to quibble about).

All told, Dobson would be a great national leader for a newly radical base of Christian conservatives who are attempting to take back their lives and their communities from federal usurpation. Certainly the mere mention of his candidacy drives media types into fits, for they know his base is larger and thicker than all the conventional candidates put together.

Another candidate who qualifies for a second look is Steve Forbes, an articulate free enterpriser and family man who shares with Dobson a deep commitment to honesty in politics. And, yes, it appears that he will be running for the nomination in 2000. Of course, Forbes is not right on every issue (although he's no warmonger, he's far too interventionist on foreign policy, for example), but he deserves credit for being the first national politician to seriously address the problems of Social Security and Medicare, and their impending bankruptcies. He's a trustworthy man of independent means, and an natural aristocrat who understands the central issue of government power and its baleful effects. And he supports a gold standard.

But can Forbes make his peace with the Christian Right? Possibly, but it will require that he develop a better ear for the language of evangelicals and Catholics, and speak more directly to their concerns about cultural decay. He can relate his pitch back to economics and explain how the two agendas are actually tied together.

What about The Man himself? What about Ron Paul for president?

If he handles this well, he might get the second hearing that his views on abortion deserve. To review, Forbes wants to end all federal financing for abortion. That includes subsidies for Planned Parenthood, the abortions in our military hospitals, the international aid agencies that promote abortion, and the pro-abortion propaganda in public schools. In doing all this, he would do far more for the pro-life cause than any other Republican has. (We should never forget the beloved Ronald Reagan, who promoted abortion in California, and whose pro-life record as president consisted of making an annual *telephoned* talk to a pro-life rally down the street from the White House.)

No, Forbes doesn't want a constitutional amendment banning abortion, because, he says, no law can be effective if the cultural foundation to support it is not there. Fine, but a more persuasive point is that the issue should be dealt with by the states, just as it was before Roe v. Wade, and just as the unamended Constitution mandates. Forbes should confer again with Ron Paul (for whom he campaigned), make this point, mend his fences with grass-roots Christian activists, and toughen his message across the board.

Another possible candidate is Governor Fob James of Alabama. He combines Christian conservatism with economic libertarianism. He is dedicated to a sound currency, and is an implacable opponent of the Federal Reserve. He's a man of honor, a successful entrepreneur and statesman of faith. He's also one of the most appealing personalities in American politics.

What about The Man himself? What about Ron Paul for president? He pooh-poohs the idea, but we shouldn't. Nor should we ignore the many attractive combinations possible among the good guys. Forbes-Dobson would be one great ticket, for example. Why not form it and announce it long before the primaries?

THE PATH OF CULTURAL SECESSION

All of this analysis presumes that the Christian Right has a smidgeon of faith left in the possibilities of national politics. That may not be true. So disgusted are most middle-class Christians with the national political culture that they may not be as willing to participate again.

Certainly we're living through a time of increased cultural secessionism, where activism increasingly takes place at the smallest levels of society. This trend can only increase as the federal government continues to lose its competence in controlling the population.

More and more families are throwing the televisions in the trash, boycotting the newest rot out of Hollywood, educating their children at home, and working to

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achieve financial independence from the federal government. In the end, this may prove far more revolutionary than any national political activity. For it threatens the regime's very legitimacy (there's that term again).

And while neocons and left-liberals can fret all day about the fracturing of the country, about Christian "drop outs," about "anti-Americanism" on the right, about cultural Balkanization, it can have no effect when the mass of Americans committed to their families, faith, and property decide to let nothing stand between them and their responsibilities to their Creator. Especially not that carbuncle on the Potomac. RRR

CONSERVATIVE WARS

Paul Gottfried

A new conservative war seems in the making, this one within neoconservative ranks. In the November issue of *First Things*, editor R.J. Neuhaus and several other contributors, including Robert Bork and Chuck Colson, discussed "The End of Democracy: The Judicial Usurpation of Politics." They were especially critical of activist judges for trying to reconstruct social mores, and cited recent judicial decisions on gay rights, abortion, and assisted suicide.

Most of these contributors, but especially Neuhaus and Colson, showed a deep sense of frustration about the judiciary, and even raised questions about "the legitimacy of the regime." Indeed, Bork highlighted America's "road to cultural disaster" as built at least partly by judges, in his best-selling polemic, *Slouching Towards Gomorrah.*

Of course, while Bork and Neuhaus question the constitutional and moral legitimacy of the current regime, neither proposes that it be overthrown by force. They assume that moral degeneration has created the conditions for the usurpation of power by social engineers, and stress spiritual renewal as the only answer.

Podhoretz accused Neuhaus and his confreres of behaving like the anti-American intellectuals of the sixties.

But this upset the neocon nomenklatura who gaze at the world from midtown Manhattan and northwest Washington. Resignations from Neuhaus's operation are already underway, and thus far include Gertrude Himmelfarb, Walter Berns, and Neuhaus's friend of many decades, Peter Berger. These luminaries have shared their letters of resignation with others, presumably to send a warning about the costs of disobedience.

Norman Podhoretz also gave Neuhaus a piece of his neocon mind in a letter that ended up in *The Weekly Standard.* That publication continued the attack with David Brooks's "The Right's Anti-American Temptation." He warns us against confusing anti-American moral extremism with the moderate spirit now embodied by the conservative-Republican establishment.

While the extremists who participated in the symposium dislike America for not fitting their "abstract principles," according to Brooks, the true conservatives continue to believe in the "basic health of the American government," and see any questioning of that idea as a hate crime.

In Brooks's more or less official neocon response to the new insubordination on the right, two political sins are brought under scrutiny. One is exaggerating the critical function of the right, that is, taking what should be campaign or tv discussion issues and giving them excessive importance. It is one thing to treat opposition to gay marriage as a theme that Bill Kristol can use to structure his remarks on "Capitol Gang"; it is quite another to go ballistic about activist judges trying to push the acceptance of kinky practices upon unwitting citizens.

The other sin is to engage in "moral equivalence," as by making comparisons between our deterioration and what took place in "undemocratic" societies. Thus Podhoretz accused Neuhaus and his confreres of behaving like the anti-American intellectuals of the sixties: "I am appalled by the language you use to describe the country, especially your reference to Nazi Germany; by the seditious measures you contemplate and all but advocate; and by the aid and comfort you for all practical purposes offer to the bomb-throwers among us."

Though there is nothing in the symposium urging on bomb-throwers, Neuhaus and Colson do mention the moral nihilism shared by the usurping judges and certain totalitarian states. They thereby open themselves to the neocon charge of embracing right- and

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left-wing extremism, that is, of not acknowledging the vast gulf between our basically healthy government and the bad guys we've made war on.

After all, those who live off the money that neocons collect from brain-dead goyim are expected to observe certain proprieties. They should talk and write about subjects that neocons want to have discussed: e.g., Christian anti-Semitism, the desirability of the Likud government in Israel, and the responsibility of German philosophers for the academic left.

Neocon clients should not embarrass their sponsors by saying things that will not sit well with the liberal pals with whom neocons shmooze for big bucks on tv. What should Howard Fineman, Abe Rosenthal, and Richard Cohen think when neocon-sponsored publications get taken over by Christian enthusiasts complaining about governmental tyranny? Reading such tirades is bad enough, but having them sponsored by the kept opposition, including your supposed friends, is really too much.

Still there is no reason to exaggerate the rift that has opened. The neocons will not likely wage the war against Neuhaus and Bork which they unleashed against the paleos. The new targets of their attacks are not enemies who have to be wiped off the political and social map, but wayward followers. It was also easier for the neocons to finish off their already half marginalized opposition on the right than it would be to do the same to Bork or Neuhaus.

Unlike, say, Mel Bradford or Sam Francis, the last two are celebrities who appear on tv and whose books are respectfully reviewed in the national press. Bork not only pockets more than $200,000 annually for the honor that his name brings to AEI, he also adorns the rubber stamp board of Smith-Richardson. And Neuhaus, since becoming a Catholic priest, has cultivated close relations with the Catholic hierarchy.

What happens if Abe Rosenthal gets angry or if Mr. Coors thinks we're no longer "positive" on America?

The neocons may have their hands full if they decide to fight it out. Taking some money from Neuhaus's institute or walking around Bork at AEI dinners may be the farthest they can carry their present disciplinary action. Unlike Mel Bradford, moreover, Neuhaus has impeccable liberal civil rights credentials. A close friend of Martin Luther King, he participated in civil rights demonstrations and continues to yearn for the pre-affirmative action civil rights movement.

From inside sources, I know that Jewish conservatives have already mounted a letter-writing campaign against Neuhaus to William Buckley and similar figures. The charge is that Neuhaus has dealt dismissively with the threats on the right to American Jews. In *NR* last July he went so far as to equate present crusades against anti-Semitism with the attempt to prevent any attack on the liberal social agenda. This supposedly shows that Neuhaus, who has never hidden his ties to the "anti-Semitic" Pat Robertson, is himself a closet anti-Semite.

Yet it might be argued that Brooks provides overtures as well as denunciations. While he deplores the abstractions being used by anti-American extremists, he also concedes that conservatism has to be taken seriously because it has become a "visionary ideological creed." It had belonged to a "prosaic, incrementalist political clique." But this widening of vision, to follow Brooks's argument, must also include control of the "new conservative style, based on conscious fealty to abstract ideals and beliefs."

Unless such control is in place, conservatives "will abandon reasoned argument and simply deliver caustic commentaries on their opponent's unreason." This warning is, whatever else, an attempt to let Neuhaus and Bork know what the bosses will and will not tolerate. What happens if Abe Rosenthal gets angry or if Mr. Coors thinks we're no longer "positive" on America?

There is a possibility that Neuhaus and Bork will not shut up. But in that instance the neocons can only bring them down if their liberal friends take out their tarring brushes. And the resulting war will get messy. It will not be a replay of those one-two operations that were made on a professor of English at the University of Dallas and a Hegel-scholar and then a paleo columnist. This will be a battle among the well-connected; and one has to wonder how effective the usual neocon-liberal charges of racism and anti-Semitism will play.

Despite his thuggish, bullying manners, Podhoretz is no fool. This Meyer Lansky of political journalism may scream louder than the rest of his mob, but neither he nor the others will pursue an unwinnable war. RRR

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FLOG THEM

Michael Levin

Crime is probably the biggest issue on people's minds these days. They may tell pollsters it's the economy, especially since the media has been playing up the evils of "downsizing," but when stepping out the door they are more apt to worry about victimization by violence. Recent statistics indicate a decline in the homicide rate in the U.S., but Princeton criminologist John Diulio predicts that the day of the "super-predators"–fatherless young males lacking even the moral restraints that inhibit traditional criminals–will soon arrive.

Anyway, the 1980s peak from which crime has fallen was unprecedented in Western history. The 1,300 murders that occurred in New York City in 1995, for instance, were an improvement on the 2,200 of a few years earlier, but still six times the 200 per year characteristic of New York through the 1950s. Robberies remain at nearly the same, high, level. This intolerable prevalence of crime brings up an old issue in an acute new form: what should be done about wrongdoers?

The modern response to serious victimful crime is incarceration: put criminals in rooms they can't leave. Make them pay for their misdeeds in lost freedom.

Now liberals, who blame "society" for crime and prefer to see "root causes" rather than criminals attacked, say that jails are too expensive. As the nation's prison capacity has tripled along with the crime rate over the last two decades, liberals have consistently opposed prison construction, on the grounds that we "can't afford it." Oddly, they have never minded the increasing cost of Head Start, Food Stamps, the Endangered Species List, or other government growth industries. This is not surprising: liberals always react to hypertrophic government by curtailing government's one legitimate activity, protecting individual rights against invasion.

Liberals also complain that long sentences and three-strike laws are pointless, since a sixty-year-old languishing in prison would be harmless were he released. This emotional appeal (in libspeak, prisoners always languish) misses the point of deterrence: to convince prospective criminals that we mean business, it is necessary to follow through on threats even when doing so appears irrational. It seems futile to spank your child after he has ignored your warning not to run into the street, but he will disregard your next warning if you don't spank him now.

Since jail terms have become tax-supported vacations, I suggest that they be abolished.

According to liberals, then, all we can do about crime is let ourselves be robbed and killed (while digging out root causes). Still, in their perverse way liberals have a point. Prisons are expensive; keeping a felon in the style to which the courts think he has a right to become accustomed costs about $60,000 per year. What is outrageous about this, though, is not the expenditure *per se*, but the footing of the bill by innocent bystanders, the taxpayers, who did nothing to abet the criminal's acts. The law now says that, when someone mugs your next door neighbor, you (and your neighbor) must put the mugger in a hotel. Instead of placing the cost of the crime where it belongs, on the criminal, it is now unfairly spread over everyone.

And "hotel" is not an exaggeration. Fifty years ago prisons were at least pretty noisome, and the prospect of ending up there must have made plenty of potential felons think twice. No more. Cells must be clean, and not overcrowded. Television is available. Prisoners may build their muscles in well-equipped gyms, so they can come out as morefrightening specimens than when they went in. Connubial visits are permitted, so sex is not a problem (and prison authorities allow dominant prisoners with perverse appetites unlimited homosexual rape). The expansion of entitlements across the board has swept away the deterrent power of prisons.

Since jail terms have become tax-supported vacations, I suggest that they be abolished. I propose instead that we adopt two crime-control techniques of an earlier era: corporal punishment and fines.

As a thinking exercise, consider the advantages of fifty lashes well laid on for armed robbery, or, for those who prefer a more antiseptic technology, fifty bursts of electricity through well-applied electrodes. For one, corporal punishment is cheap. It does not require a prison with all its modern trappings, only a knout (or electric generator). The staff needed to administer it would be far smaller than that needed to run a modern penal system.

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Second, tax-payers would be, and feel, far less ill used paying for this modest system. By reducing third-party outlays, corporal punishment allocates the cost of punishment more justly than incarceration.

The third major advantage of corporal punishment is immediacy. Remember, the intelligence of the typical felon is far below average (his I.Q. runs about 90), and his time horizon is short. As Edward Banfield put it, "most stealing is done by persons who want small amounts of money now." This high rate of time discounting leaves him indifferent to the long-term consequences of his acts, including possible reprisals.

Remember, the intelligence of the typical felon is far below average.

Quite apart from the delays implicit in the appeals system (which should also be curtailed), bottlenecks in the courts, and the agreeableness of prisons, prison terms are too hazy to focus the typical felon's mind. However you and I might weigh them, to him an afternoon of excruciating pain in the near future might well look worse than five years' loss of freedom. Corporal punishment would almost certainly be more deterrent than incarceration. Associating more serious infractions with more severe pain would be consistent with justice, and discourage criminals from thinking that they might as well be shocked for a sheep as a lamb.

It is possible that the time discounting of the criminal class has accelerated with changes in its demographics. At the turn of the century, about three-quarters of the prison population in the U.S. was white and one-quarter black. Today blacks form the majority, and judging by victim reports, commit most serious crimes.

There is substantial evidence that, as a group, blacks have higher crime preferences than whites, so it is possible that, as a group, the mean time preference of black criminals is higher than that of white (the race difference in incarceration rates shrinks but does not vanish when I.Q. is controlled for). As we may well be dealing with more impulsive criminals than in the past, the need for a more immediate deterrent than imprisonment is greater.

Many cultures have punished crimes as serious as murder by assessing fines. Strange as this practice may seem to us now, it too is superior to incarceration in point of justice and utility. Like corporal punishment (and unlike imprisonment), fines make the wrongdoer, not his victim and innocent bystanders, pay for his punishment. This is particularly so when the fine is paid, not to the state treasury, but to the victim or his family. In fact, making the criminal pay his victim satisfies the fundamental rule of compensatory justice: an injured party deserves what he lost, to be restored by the malefactor.

Making criminals compensate their victims might seem to create perverse incentives for the indigent. "Theft is a win-or-break-even situation," the poor man will reason, "since even if caught I can at worst be made to return what I stole, leaving me no worse off." In fact, thieves might be tempted to spend their pelf as quickly as possible, leaving themselves assetless when caught. These consequences can be averted in part by having fines and corporal punishment work in tandem, but also by letting the thief's victim garnish his future earnings.

Should the thief be unable to find employment, he would be required to work for his erstwhile victim at some fixed hourly rate until his debt is paid. One potential problem is that the victim may abhor his assailant's presence; would a robbery-and-rape victim want her rapist around doing household chores? Perhaps in such cases the victim can stipulate some off-site task at which the assailant can work off his debt.

There is also the danger that enforcing such arrangements will create a bureaucracy of its own, as probation does today. It is nonetheless important that thieves not get away with consuming their ill-gotten gains.

The whole scheme I've outlined sounds like involuntary servitude, and is apt to raise a cry of unconstitutionality–as is corporal punishment, which is sure to be called cruel and unusual.

As to "cruelty," it is defined by Webster's to mean "a disposition to enjoy unnecessary pain." By that definition, corporal punishment is not cruel. Pain is to be inflicted on the wrongdoer not to titillate anyone, but for deterrent effect. Its purpose is to give criminals a reason to control themselves. Granted, corporal punishment is now unusual, at least by American standards, but the wording of the Fifth Amendment bans punishment that is both cruel and unusual. Unusualness alone is insufficient to disqualify a punishment, a point of Constitutional

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interpretation almost everyone seems to miss.

I cannot deny that forcing indigent thieves to work for their victims is probably "involuntary servitude"–but in another sense the plight of a indentured thief is voluntary indeed. He chose to steal; nobody forced him to. He presumably knew the penalty attached to that act. His plight is involuntary only in that he wishes to be elsewhere, just as he might wish to be elsewhere were he confined in a cell.

Ah, but he is in a condition of servitude, essentially someone else's slave. True; but aren't conventional prisoners confined to state institutions in a condition of servitude when forced to make license plates or work on state highways? The distinctive feature of my scheme is that the thief is made the unwilling benefactor of the very man he harmed, not of third parties who get the use of his labor in the form of license plates. My way seems eminently more just.

Viewed unsentimentally, our modern penology is more primitive than a system of fines and flogging. Wrongs are perpetrated by some individuals against other individuals, not against groups; recognizing this is supposed to signify enlightenment. So, since Smith attacks Jones, not an abstraction called "society," shouldn't any restitution Smith makes go exclusively to Jones? Surely it is absurd that Smith's "debt to society" should cost third parties $60,000 per annum, when there are cheaper and more deterrent alternatives.

I recognize that these thoughts are pretty heterodox, even to *Triple R* readers. But if and when Diulio's superpredators start to descend, they may come to sound like common sense. RRR

HONEST MONEY AND HONEST DEALING

Ron Paul and Burton S. Blumert

We know Burt Blumert as the dedicated publisher of the *Triple R*. But there's another side to him. For 36 years, he's been a top professional coin dealer. That industry may seem to have more than its share of con men, charlatans, and blue-suede-shoe types, but Burt–an honest-money man in every sense–helps make up for them.

When LBJ announced that the U.S. Mint would no longer redeem silver certificates for physical silver, Burt organized coin dealers nationally through his new FACTS teletype network to make sure that Americans could conveniently redeem their notes at competitive prices. LBJ thought most notes would never be redeemed, because it wouldn't pay the individual holder to go to the mint. Through the free market, Burt proved him wrong.

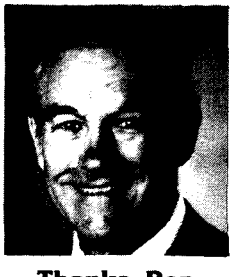
Burt's FACTS network–later sold to Xerox–also played an important role when LBJ took the silver out of dimes, quarters, and half dollars. As the existing silver coins started to disappear, in a classic display of Gresham's law, Burt's network served the public once again. Another important moment was the legalization of gold-bullion ownership, which Burt had a hand in. Then in 1985, Ron Paul and Burt founded the new standard of the industry: Ron Paul Coins. What happens now, with Ron returning to Congress? We thought we'd ask.

RRR: When did your long friendship with Ron Paul begin?

BURT: Ron was already famous in the hard-money movement when I met him in the mid 1970s. An Austrian economist as well as a great physician, and an eloquent and uncompromising spokesman for our ideals, Ron quickly became our national leader. I got to know him even better when, as a Congressman, he established the U.S. Gold Commission, wrote *The Case for Gold*, and brought about the minting of the American Gold Eagle.

RRR: When Ron left Congress and established his financial newsletter, of all the coin dealers in the country, he picked you to go into business with. Why?

BURT: Well, we were friends, and Ron and I agreed on business principles as well as political ones. But I also have to admit that his offer bowled me over. Many newsletter publishers had sought an affiliation with me over the years, and I always refused. In that kind of a relationship, I might not always be sure that the customer came first. But that was no concern with a man of Ron Paul's integrity. Really, how could I have said no? It would have been



Thanks, Ron

The *Triple R* is proud and honored to help carry on the work of the *Ron Paul Survival Report*, voice of America's great leader for hard money, free markets, non-intervention, and the Constitution.

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like turning down Thomas Jefferson.

RRR: Was your stature as a numismatist important to Ron?

BURT: Ron appreciates serious collectors, but he knew that most of our customers would not be. Mostly we put Ron Paul people on a personal gold standard, with such bullion coins as the Eagle, the Maple Leaf, and the Krugerrand, as well as such semi-numismatic coins as St. Gaudens Double Eagles–all at unbeatable prices. Now, I still get goose bumps when I examine rare coins, but like Ron, I realize they are collectibles, not investments, no matter what the telemarketers claim.

RRR: What's your opinion of telemarketing?

BURT: Well, there may be some fine telemarketing companies out there, but you as the customer are in no position to judge. So Ron's and my rule is: Never buy anything over the phone, whether rare coins or dance lessons, unless you initiated the call. At the very least, a firm's use of high-pressure telephone salesmen means you are paying too much, even if the coins are otherwise suitable for you. And often they are not, because they are high-end numismatics.

Always ask such a salesman, if you are considering a purchase, what he would *buy* these same coins for today. If he won't tell you, you know the buy-sell spread is unconscionable, to pay for his high commissions.

Ron's and my other rules include: Never borrow to invest, never leverage. Always take possession of what you own. Never let a dealer store your gold. And never, by the way, let a stock broker hold your stock certificates. Don't tell me about Merrill Lynch's stability. Even the Soviet Union went out of business.

RRR: What's happening to Ron Paul Coins now that Ron is returning to Congress?

BURT: Our customers and I worked hard for Ron's election. How proud I am that Ron has asked me to carry on in his stead. Not only buying and selling, but helping people avoid the mistakes that some other dealers encourage. Ron said: this no-charge counseling must continue. I agree.

So nothing changes. Not our name: Ron Paul Coins. Not our phone number: 1-800-782-9090. Not our address: Ron Paul Co., 875 Mahler Dr., Suite 150, Burlingame, Cal. 94010. And not our method of doing business.

RRR: Anything else people should know about Ron Paul Coins?

BURT: Well, we provide a monthly bargain flyer, which we now pay the *Triple R* to carry. We accept personal checks, and often ship on receipt of them. By the way: I've never had a sour deal with a Ron Paul customer. Talk about the natural elite!

We have experienced sales people like George Resch and Phil Litton who are on salary, not commission, so there is no pressure. I also like to talk to new customers, of course. But you may find yourself in the surprising position of being talked out of doing business. For example, many people recently wanted to liquidate Krugerrands for often over-priced Liberty Double Eagles. Now these are great coins, at the right price, but such a swap benefits only the dealer. Really, it all comes down to the golden rule: we treat our customers as we would want to be treated. RRR

Dear *Triple R:*
Start sending me (or renew) your newsletter:
❑ $49 for 1-year; ❑ $98 for 2-years; ❑ $147 for 3-years.
❑ Enclosed is my tax-deductible contribution (made out to CLS).
❑ Send information to the friends I've listed on a separate sheet.

Credit card number: _____

Signature:_____ Exp. Date_____

Or phone 1-800-325-7256 for VISA, Amex, or MasterCard charges.

Name_____

Street _____

City_____ State_____ Zip_____

Triple R, Center for Libertarian Studies, P.O. Box 4091, Burlingame, CA 94011

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